

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Rodney Post Office
Rodney, Iowa 51051

Docket No. A2011-27

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(September 14, 2011)

On July 21, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked July 13, 2011, from The Honorable Zella Thomas, Mayor of the City of Rodney (Petitioner) objecting to the discontinuance of the Post Office at Rodney, Iowa.¹ On July 22, 2011, the Commission issued Order No. 769, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received no additional written communications from customers of the Rodney Post Office. The Petitioner did not file a Form 61 or initial brief in support of the petition. In accordance with Order No. 769, the administrative record was filed with the Commission on August 5, 2011.

The appeal received by the Commission on July 21, 2011, raises three main issues: (1) the effect on postal services, (2) the impact upon the Rodney community, and (3) the impact upon postal employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission

¹ The Notice of Filing that the Commission filed on July 21, 2011, includes a letter dated July 12, 2011, addressed to the Commission from The Honorable Zella Thomas, Mayor, City of Rodney, Iowa, and a letter dated July 12, 2011 addressed to the Commission from The Honorable Steve King, Member of Congress. See Notice of Filing Under 39 U.S.C. § 404(d), Docket No. A2011-27, July 21, 2011. These two letters dated July 12, 2011, are referred to as the "petition for review" in these comments.

precedent,² the Postal Service gave consideration to a number of other issues, including the calculation of economic savings expected to result from discontinuing the Rodney Post Office. Accordingly, the determination to discontinue the Rodney Post Office should be affirmed.

Background

The Final Determination To Close the Rodney, IA Post Office and Continue to Provide Rural Route Service (FD), as well as the administrative record, indicate that the Rodney Post Office provides EAS-53 level service to 20 Post Office Box customers and no general delivery customers, and retail customers 24 hours per week. FD at 2; Item No. 18, Form 4920, Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet").³ The postmaster of the Rodney Post Office retired on April 28, 1993. An individual was installed as the temporary officer-in-charge. That individual will return to her primary position in Smithland, and may be reassigned to another Officer in Charge position if an opening exists and if she is qualified for the position. The record shows that no other Postal Service employee would be affected by this closing.⁴ The average number of daily retail window transactions at the Rodney Post Office is four. Revenue has generally been low: \$3,976.00 in FY 2008 (10 revenue units); \$7,741.00 in FY 2009 (20 revenue units); and \$3,579.00 in FY 2010 (9 revenue units).⁵ The Rodney

² See 39 U.S.C. 404(d)(2)(A).

³ In these comments, specific items in the administrative record are referred to as "Item ____."

⁴ FD, at 4-5; Item No. 18, Fact Sheet; Item 23, Customer Questionnaire Analysis, at 23a; Item No. 33, Proposal to Close the Rodney, IA Post Office and Continue to Provide Service by Rural Route Service ("Proposal"), at 4.

⁵ FD, at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2.

Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Smithland Post Office, an EAS-11 level office located two miles away, which has 82 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2, 6.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Rodney Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Rodney Post Office. Questionnaires were also available over the counter for retail customers at Rodney Post Office. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Rodney Post Office; Item No. 33, Proposal, at 2. A letter from the Manager of Post Office Operations, Spencer, Iowa was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Rodney Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Smithland Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 21a. The returned

customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Rodney Community Center for a community meeting on February 15, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 21a; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment from March 9, 2011 to May 18, 2011 at the Rodney Post Office, and from March 17, 2011 to May 18, 2011 at the Smithland Post Office. FD, at 3; Item No. 36, Round-date stamped Proposals and invitations for comments. The FD was posted at the same two Post Offices starting on June 20, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, low office revenue,⁶ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁷ very little growth expected in the area,⁸ minimal impact upon the community, and the expected financial savings,⁹ the Postal Service issued the FD.¹⁰

Regular and effective postal services will continue to be provided to the Rodney

⁶ See note 5 and accompanying text,

⁷ FD, at 3, 6; Item No. 21, Cover letter, questionnaire and enclosures; Item No. 23, Analysis of Questionnaires, at 23a; Item No. 33, Proposal, at 2,4.

⁸ Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 5.

⁹ FD, at 6; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 6.

¹⁰ FD, at 6.

community in a cost-effective manner upon implementation of the final determination.
FD at 2, 6.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Rodney Post Office on postal services provided to Rodney customers. The closing is premised upon providing regular and effective postal services to Rodney customers.

The Petitioner, in her letter of appeal, raises the issue of the effect on postal services of the Rodney Post Office's closing and requests its retention.

As is evident in the administrative record, the Postal Service responded to various concerns about the effect of closing the Rodney Post Office on postal services, which were expressed in customer questionnaires, at the February 15, 2011 community meeting, and in response to the proposal. Some of these concerns were about mail security and senior citizens having to travel to another post office for service. Each of these concerns was considered by the Postal Service.

The Postal Service considered the effect of closing of the Rodney Post Office on mail security. The Postal Service explained that if the decision is made to have customers install their own box, customers may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. The Postal Service does not open mailboxes which are locked and does

not accept keys for this purpose. The Postal Service is also considering the installation of cluster box units, which provide the security of individually locked mail compartments. FD, at 2; Item No. 23, Customer Questionnaire Analysis, at 23a; Item No. 33, Proposal, at 2.

The Postal Service considered the impact of the closing of the Rodney Post Office on senior citizens. The Postal Service explained that services provided at the Rodney Post Office will be available from the carrier. Carrier service is beneficial to many senior citizens and others because the carrier can provide delivery and retail service to roadside mailboxes or cluster box units. Customers do not have to make a special trip to the post office for service. Most transactions do not require meeting the carrier at the mailbox. Special provisions are made for hardship cases or special customer needs. Stamps by Mail and Money Order Application forms are available for customer convenience. FD, at 2-3; Item No. 23, Customer Questionnaire Analysis, at 23a; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2-3

The Postal Service has considered the impact of closing the Rodney Post Office upon the provision of postal services to customers of the Rodney Post Office. Rural route service delivery provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 2-4, 6; Item No. 23, Postal Customer Questionnaire Analysis, at 23a; Item No. 33, Proposal, at 2-4, 6. Thus, the Postal Service has properly concluded that all Rodney customers will continue to receive regular and effective service via rural route service.

Effect Upon the Rodney Community

The Postal Service is obligated to consider the effect of its decision to close the Rodney Post Office upon the Rodney community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Rodney is an incorporated community located in Monona County. The Monona County Sheriff provides police protection. The community is administered politically by a mayor and council form of government, with fire protection provided by the Smithland Fire Department. A number of businesses and organizations are located in the Rodney community. FD, at 5; Item No. 33, Proposal at 4. The questionnaires completed by Rodney customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Rodney must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 22b, 22e, 22k, 22n, 22q, 22t, 22w, 22z, 22ac, 22af, 22ai, 22al, 22ap, 22as, 22av, 22ay.

The petition for review raises the issue of the effect of the closing of the Rodney Post Office upon the Rodney community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 5- 6; Item No. 16, Community Survey Sheet; Item No. 23, Customer Questionnaire Analysis, at 23a; Item No. 33, Proposal, at 4-6. In response to concerns expressed by customers about the

loss of community identity, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name, and that the Postal Service is helping to preserve community identity by continuing the use of Rodney, IA 51051 in addresses. FD, at 5 Communities, and the businesses in them, generally require regular and effective postal services and these will continue to be provided to the Rodney community. FD, at 5; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 6. In response to concerns expressed by customers about the loss of a bulletin board and the loss of a meeting place, the Postal Service noted that customers may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 5; Item, No. 23, Customer Questionnaire Analysis, at 23a; Item No, 33, Proposal, at 4.

In addition, the Postal Service has concluded that nonpostal services provided by the Rodney Post Office can be provided by the Smithland Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 5; Item No. 33, Proposal, at 4.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Rodney Post Office on the community served by the Rodney Post Office.

Effect on Employees

Petitioner's letter of appeal raises the issue of the effect of the closing of the Rodney Post Office on postal employees. As documented in the record, the impact on postal employees is minimal. The postmaster retired on April 28, 1993. An individual

was installed as the temporary officer-in-charge. According to the FD, at 5, that individual will return to her primary position in Smithland, and may be reassigned to another Officer in Charge position if an opening exists and if she is qualified for the position. The record shows that no other Postal Service employee would be affected by this closing. FD, at 5; Item No. 18, Fact Sheet; Item 23, Customer Questionnaire Analysis, at 23a; Item No. 33, Proposal, at 4. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Rodney Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Rodney Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 21a. The estimated annual savings associated with discontinuing the Rodney Post Office are \$19,370.00. FD at 6; Item No. 33, Proposal, at 6.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 6; Item No. 18, Fact Sheet; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 6.

The Postal Service determined that carrier service is more cost-effective than maintaining the Rodney postal facility and postmaster position. FD, at 5. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Rodney Post Office on the provision of postal services, on the Rodney community, and on postal employees, as well as the economic savings that would result from the proposed closing, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Rodney customers. FD, at 6. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Rodney Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Rodney Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business
Corporate and Postal Business Law Section

Christopher C. Meyerson
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-7820; Fax -5628
christopher.c.meyerson@usps.gov
September 14, 2011